



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
SEPTEMBER 27, 2011

CONTACT: U.S. ATTORNEY'S OFFICE
ELLEN DAVIS, CARLY SULLIVAN,
JERIKA RICHARDSON
PUBLIC INFORMATION OFFICE
(212) 637-2600

**STATEN ISLAND MAN PLEADS GUILTY IN MANHATTAN FEDERAL
COURT TO TAX FRAUD RELATED TO HIS WORK AS A BASKETBALL
REFEREE AT CHELSEA PIERS**

Defendant Stole Identities From Staten Island Chamber of Commerce

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that PATRICK HYLAND pled guilty today to his role in a scheme to use stolen identities to evade taxes on income paid to basketball referees at Chelsea Piers. HYLAND pled guilty before U.S. District Judge JOHN G. KOELTL to one count of filing false tax returns in 2005, 2006 and 2007.

HYLAND is the third Chelsea Piers basketball referee in the scheme to plead guilty. The first two, former referees GERARD FAHY and ROBERT SPENCE, pled guilty on September 14, 2011. In addition, an Indictment was unsealed on September 15, 2011, charging PETER IULO, a former referee and basketball program supervisor at Chelsea Piers, and JAMES MURRAY, a Chelsea Piers employee who oversaw the basketball program, for their participation in the tax fraud scheme.

According to the Indictment and Informations filed in connection with the cases:

Chelsea Piers is a sports and entertainment complex in Manhattan where various adult basketball leagues play their games. Referees for the basketball games are paid approximately \$40 per game by Chelsea Piers. In any year where a referee is paid more than \$600 by Chelsea Piers, the complex must report to the IRS the payment of income to the referee.

As alleged, HYLAND and others participated in a scheme that used stolen identification information to ensure that referees were rarely, if ever, paid more than \$600 per year in their own names. As a result, they avoided having Chelsea Piers report the income they earned to the IRS and evaded taxes on that income. As part of the scheme, HYLAND and others provided

Chelsea Piers with false IRS forms that contained the stolen identification information. When Chelsea Piers issued checks payable to the stolen identities, the defendants fraudulently endorsed the checks when they were deposited or cashed. HYLAND participated in the scheme from 2000 to 2007.

For example, HYLAND earned more than \$5,800 in 2005 for officiating basketball games at Chelsea Piers. However, as a result of the fraudulent scheme, he received \$589 from Chelsea Piers in his own name and the remainder of his income in the names of the people whose identities he had stolen. As a result, Chelsea Piers' records falsely reflected that HYLAND had been paid only \$589 and the complex did not report the income to the IRS. In order to obtain identities for use in the scheme, HYLAND used the names of friends and relatives and stole identities through his employment at the Staten Island Chamber of Commerce, among other sources.

* * *

HYLAND, 35, of Staten Island, New York, faces a maximum sentence of three years in prison and one year of supervised release. He also faces a fine of the greatest of \$250,000, or twice the gross pecuniary gain or loss resulting from the offense.

HYLAND is scheduled to be sentenced on January 13, 2012, at 2:30 p.m.

Mr. BHARARA praised the outstanding efforts of the IRS Criminal Investigation Division in the investigation.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys DANIEL W. LEVY and STANLEY J. OKULA are in charge of the prosecution.

The charges and allegations against contained in the Indictment against IULO and MURRAY are merely accusations, and they are presumed innocent unless and until proven guilty.

11-294

###